

necessary to include in the cash reserves of the Canadian banks the amount of money they have "at Call" and "Short Notice." Leaving out one half the sums they have available in Canada, if we take only the money our banks have at call and short notice in New York, and include this in their cash reserve, English fashion, we get this result, the 35 Canadian banks have cash reserves amounting on an average to 26 per cent. of their gross liabilities. This, however, does not represent the actual strength of their cash reserves, for, when an emergency arose they would have their securities in reserve, amounting to \$58,000,000, which, added to other reserves, raises the proportion of gross reserves to liabilities to over 40 per cent. These percentage comparisons, though interesting and suggestive, instructive also to those who can read statistics with some degree of insight into their inner meaning, which is often quite hidden to those who skim their surface, are more theoretic than practical. They are based upon the assumption that all the banks in Canada may simultaneously be subjected to a sudden "run," or demand for the redemption of their liabilities, especially note issues and deposits. This contingency is so far outside the region of probability as not to call for consideration. "If the sky falls we should catch larks," says the proverb, but meanwhile the business of the world proceeds on the assumption that the sky will not fall.

The critic who condemns the banks for their small reserves of gold has entirely overlooked the currency usages of Canada, which do not call for gold. The proprietor of one of the largest retail stores in this city informs us, that there is not \$20 in gold tendered at his counters in the course of a year. The critic assumes also, that a demand for gold will be simultaneously made on all the banks, which, practically is impossible. A "run" for gold would be an extraordinary novelty in Canada. There have been "runs" here during which the excited creditors of the bank so attacked had their demands satisfied by the notes of the same bank! In other "runs" most of the money paid out by the bank under pressure was deposited with other bankers, who handed it back to their neighbour to enable him to meet the "run," so to their neighbour to enable him to meet the "run," so the "run" was a perfect circus, the money going round in a circle, the creditors being satisfied, and the bank not seriously weakened. It is significant that the six strongest and most ably managed banks in Canada have gold reserves in proportion to circulation and deposits lower than the average.

It seems to us reasonable to give the bank managers of Canada credit for ordinary common sense, as well as knowledge of their business, in both of which they are assumed to be deplorably deficient when they are charged with holding inadequate gold reserves.

A NEW BACILLUS has been discovered that generates gases during its growth. The "Insurance Observer" says: "It lives on sugar and converts the residuum into alcohol, and, secondly, into carbonic acid gas." A sort of self-acting distillery germ, apparently. Now, can its operations be stopped by a prohibitory law?

# ONTARIO LIFE INSURANCE COMPANIES.

The Report of the Inspector of Insurance, Ontario, for 1901, is just issued. The contents include (1) brief reports of Insurance Corporations operating in that Province that have a Dominion license; (2) statements of life, fire, accident, cash mutual fire; strictly mutual fire insurance companies that are operating under a Provincial License, and are inspected and registered by the Province of Ontario; (3) statements of friendly societies in Ontario, and copy of an address of the Registrar to the Canadian Fraternal Association. The following tables give the principal details in the statements of those life insurance companies that are operating under an Ontario license, and inspected and registered by the Provincial authorities.

## INCOME, 1900.

December 31st, 1900. Details.	Continental Life Joint stock.	Farmers and Traders Life and Accident.	Peoples' Life, Mutual.	Totals.
	\$	\$	\$	\$
Gross Premium .....	15,615	23,406	27,329	66,350
Interest .....	1,377	708	570	2,655
Borrowed .....	.....	.....	3,750	3,750
Premium on debentures .....	.....	.....	1,000	1,000
Calls on Stock .....	40,479	50	.....	40,529
Commission on re-insurances .....	235	4	.....	239
Sundries .....	.....	392	606	998
Total income .....	57,706	24,560	33,255	115,521

## EXPENDITURES, 1900.

	\$	\$	\$	\$
Management Expenses .....	25,490	13,760	14,369	53,559
Loans repaid .....	.....	.....	3,950	3,950
Surrenders .....	.....	.....	444	444
Organization Expenses .....	4,411	.....	.....	4,411
Rebates, returned premiums .....	125	29	26	180
Losses .....	.....	2,500	1,751	4,251
Re-insurance .....	439	141	6	586
Advanced to agents .....	975	.....	7,379	8,354
Bills receivable .....	2,760	.....	.....	2,760
Sundries .....	180	191	355	727
Total expenditures .....	34,320	16,561	28,280	79,162

## ASSETS, 1900.

Details.	Continental Life.	Farmers and Traders.	Peoples' Life.	Totals.
	\$	\$	\$	\$
Loans and policies .....	.....	.....	969	969
Securities .....	28,050	35,324	15,000	78,374
Interest accrued .....	473	1,025	693	2,190
Cash .....	26,206	8,525	16,853	51,584
Agents balances .....	.....	.....	14,393	14,393
Bills receivable .....	1,349	2,716	.....	4,065
Premiums on stock .....	3,179	.....	.....	3,179
Premiums outstanding .....	3,461	4,722	11,415	19,597
" deferred .....	3,518	.....	116	3,634
Lease of land .....	.....	141	.....	141
Capital called but unpaid .....	12,714	2,862	.....	15,577
Other assets .....	976	.....	1,000	1,976
Total .....	79,926	55,315	60,439	195,679
Office Furniture .....	361	.....	760	1,061
Stock uncalled .....	670,230	312,660	.....	982,890

## LIABILITIES, 1900.

	\$	\$	\$	\$
Re-insurance reserve .....	17,321	36,258	56,861	110,439
Fees .....	990	217	426	1,633
Accrued interest .....	.....	.....	1,445	1,445
Commission .....	1,585	1,394	.....	2,979
Sundries .....	5	.....	237	242
Total liabilities except stk	19,900	37,869	58,969	116,738
Paid up cap't or deb. stk.	62,256	31,878	50,000	144,134
Contingent liabilities .....	8,816	.....	.....	8,816
No. of policies in force .....	541	898	687	2,126
Net amount at risk .....	683,200	899,500	965,247	2,547,947